



# House of Representatives

General Assembly

**File No. 842**

January Session, 2007

Substitute House Bill No. 7322

*House of Representatives, May 16, 2007*

The Committee on Appropriations reported through REP. MERRILL of the 54th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

## **AN ACT CONCERNING MEDICAID MANAGED CARE REFORM.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 17b-296 of the general statutes is amended by  
2 adding subsection (e) as follows (*Effective from passage*):

3 (NEW) (e) All contracts between the department and a managed  
4 care organization to provide services under the HUSKY Plan, Part A,  
5 the HUSKY Plan, Part B, or both, or the Medicaid program, and all  
6 documents maintained by a managed care organization related to the  
7 performance of its contracts with the department, including, but not  
8 limited to, contracts and agreements with providers and  
9 subcontractors, documents concerning rates paid to providers and  
10 subcontractors, and documents concerning operational standards,  
11 shall be deemed public records or files as defined in section 1-200 and  
12 shall be subject to disclosure in accordance with chapter 14.

13 Sec. 2. Section 1-218 of the general statutes is repealed and the  
14 following is substituted in lieu thereof (*Effective from passage*):

15 Each contract in excess of two million five hundred thousand  
16 dollars between a public agency and a person for the performance of a  
17 governmental function shall (1) provide that the public agency is  
18 entitled to receive a copy of records and files related to the  
19 performance of the governmental function, and (2) indicate that such  
20 records and files are subject to the Freedom of Information Act and  
21 may be disclosed by the public agency pursuant to the Freedom of  
22 Information Act. Any contract between the Department of Social  
23 Services and a managed care organization to provide services under  
24 the HUSKY Plan, Part A, the HUSKY Plan, Part B, or both, or the  
25 Medicaid program, irrespective of whether such contract is in excess of  
26 two million five hundred thousand dollars, shall be subject to the  
27 provisions of this section. No request to inspect or copy such records  
28 or files shall be valid unless the request is made to the public agency in  
29 accordance with the Freedom of Information Act. Any complaint by a  
30 person who is denied the right to inspect or copy such records or files  
31 shall be brought to the Freedom of Information Commission in  
32 accordance with the provisions of sections 1-205 and 1-206.

33 Sec. 3. Subdivision (11) of section 1-200 of the general statutes is  
34 repealed and the following is substituted in lieu thereof (*Effective from*  
35 *passage*):

36 (11) "Governmental function" means the administration or  
37 management of a program of a public agency, which program has  
38 been authorized by law to be administered or managed by a person,  
39 where (A) the person receives funding from the public agency for  
40 administering or managing the program, (B) the public agency is  
41 involved in or regulates to a significant extent such person's  
42 administration or management of the program, whether or not such  
43 involvement or regulation is direct, pervasive, continuous or day-to-  
44 day, and (C) the person participates in the formulation of  
45 governmental policies or decisions in connection with the  
46 administration or management of the program and such policies or  
47 decisions bind the public agency. "Governmental function" includes  
48 the provision of services by a managed care organization under the

49 HUSKY Plan, Part A, the HUSKY Plan, Part B, or the Medicaid  
50 program. "Governmental function" [shall] does not include the mere  
51 provision of goods or services to a public agency without the delegated  
52 responsibility to administer or manage a program of a public agency.

53     Sec. 4. (NEW) (*Effective July 1, 2007*) All contracts between the  
54 Department of Social Services and a managed care organization to  
55 provide services under the HUSKY Plan, Part A, the HUSKY Plan, Part  
56 B, or both, or the Medicaid program, and all documents maintained by  
57 a managed care organization related to the performance of its contracts  
58 with the department, including, but not limited to, contracts and  
59 agreements with providers and subcontractors, documents concerning  
60 rates paid to providers and subcontractors, and documents concerning  
61 operational standards shall be subject to review and inspection by the  
62 Attorney General. In conducting such review or inspection, the  
63 Attorney General shall ensure that the provisions of any contract  
64 between the department and a managed care organization shall inure  
65 to the benefit of the beneficiaries of health care services under the  
66 contract. The Attorney General, in the course of performing the duties  
67 prescribed in this section, may contemporaneously advise the  
68 Commissioner of Social Services, the Governor and the chairpersons of  
69 the joint standing committees of the General Assembly having  
70 cognizance of matters relating to human services and appropriations  
71 and the budgets of state agencies of any concerns that he or she may  
72 have concerning a contract between the department and a managed  
73 care organization.

74     Sec. 5. Subsection (d) of section 17b-28 of the general statutes is  
75 repealed and the following is substituted in lieu thereof (*Effective July*  
76 *1, 2007*):

77     (d) The Commissioner of Social Services shall provide monthly  
78 reports on the plans and implementation of the Medicaid managed  
79 care system to the council. Not later than January 1, 2008, the  
80 Commissioner of Social Services shall include with such reports the  
81 following information for contracts between the department and a

82 managed care organization: The total dollar value of the contract,  
83 along with an accounting of the sums within each contract that are  
84 allocated for and then actually expended on preventive care, primary  
85 care, specialty care, dental care, care and case management services,  
86 outreach and advertising activities, administrative costs, profit margin,  
87 subcontractors and any other nonmedical expenses. Not later than  
88 January 1, 2008, and annually thereafter, the commissioner shall  
89 provide the following information with respect to each managed care  
90 organization under contract with the department: (1) Any  
91 pharmaceutical rebates provided by a pharmaceutical manufacturer to  
92 a managed care organization, (2) the salaries and fringe benefits for the  
93 ten highest paid positions of those persons employed by the managed  
94 care organization who are responsible for the administration of  
95 HUSKY Plan, Part A, the HUSKY Plan, Part B, or both, (3) the total  
96 dollar value of any withheld pools representing sums that will be  
97 withheld from participating providers if the cost of services rendered  
98 by such providers is higher than expected, and (4) any other rebate  
99 provided by a manufacturer, vendor or distributor of health care  
100 products and equipment to a managed care organization or a  
101 subsidiary of such managed care organization.

102       Sec. 6. (NEW) (*Effective July 1, 2007*) The Department of Social  
103 Services shall, on an annual basis, conduct a secret shopper survey  
104 with respect to any managed care organization under contract to  
105 provide health care services to the department. Such survey shall  
106 gauge the effectiveness of the managed care organization's application  
107 and enrollment processes and assess the availability of health care  
108 provider services for both new and existing program beneficiaries. The  
109 department shall utilize a consistent methodology when conducting  
110 such survey so as to permit a fair comparison of the results of such  
111 survey on an annual basis. Not later than January 1, 2008, and annually  
112 thereafter, the Commissioner of Social Services shall report, in  
113 accordance with section 11-4a of the general statutes, on the results of  
114 such surveys to the joint standing committees of the General Assembly  
115 having cognizance of matters relating to human services and  
116 appropriations and the budgets of state agencies.

117 Sec. 7. Section 38a-1041 of the general statutes is amended by adding  
118 subsection (f) as follows (*Effective July 1, 2007*):

119 (NEW) (f) The Office of the Healthcare Advocate shall provide  
120 informational assistance to recipients of HUSKY Plan, Part A or Part B  
121 benefits. Informational assistance provided by the Office of the  
122 Healthcare Advocate shall include, but not be limited to, information  
123 on: (1) Selection of the HUSKY Plan option that best meets the needs of  
124 the recipient; (2) the enrollment process; (3) primary care provider  
125 selection; (4) assistance in negotiating the managed care and Medicaid  
126 systems to access health care services; (5) assistance with billing issues;  
127 and (6) collaboration with state agency personnel to resolve eligibility,  
128 enrollment and access issues.

129 Sec. 8. (NEW) (*Effective July 1, 2007*) (a) Notwithstanding any  
130 provision of the general statutes, not later than January 1, 2008, the  
131 Department of Social Services shall begin implementing on not less  
132 than a regional basis, a system of primary care case management.  
133 Upon the implementation of a primary care case management system,  
134 HUSKY Plan, Part A and Part B beneficiaries shall be provided a  
135 choice of receiving medical assistance benefits through a primary care  
136 case management system or a managed care system. For purposes of  
137 this section, "primary care case management" means a system of care  
138 in which the health care services for program beneficiaries are  
139 coordinated by a primary care provider chosen by or assigned to the  
140 beneficiary. "Primary care case management" does not include  
141 capitation payment system for medical services provided.

142 (b) Primary care providers participating in the primary care case  
143 management system shall be reimbursed by the state for medical  
144 services provided and for health care coordination services provided  
145 on behalf of program beneficiaries. Primary care providers shall  
146 provide beneficiaries with primary care medical services and arrange  
147 for specialty care as needed. The network of primary care providers  
148 utilized by the department shall include, but not be limited to, health  
149 care professionals employed at community health centers and school-

150 based health clinics.

151 (c) The Department of Social Services shall contract with an  
152 administrative services organization to coordinate the availability of  
153 services under the primary care case management system. In addition,  
154 the department may directly contract with any medical provider or  
155 group of medical providers in order to facilitate implementation of the  
156 primary care case management system. The department when  
157 selecting an entity to administer the primary care case management  
158 system may not select any managed care organization, subsidiary of,  
159 affiliate of or any related company within the control of the managed  
160 care organization currently under contract with the department for the  
161 provision of managed care.

162 (d) The Commissioner of Social Services shall develop a program to  
163 involve the public in the design and implementation of the primary  
164 care case management system and to ensure ongoing public  
165 involvement. Such program shall include the opportunity to submit  
166 written comments and broad distribution of information and  
167 opportunities to the public and to consumers, consumer advocacy  
168 groups, medical providers and other organizations involved in health  
169 care. Information available to the public shall include one or more  
170 preliminary documents identifying the options under consideration by  
171 the department for implementation of the primary care case  
172 management system. All informational materials shall be available to  
173 persons with disabilities and to those who do not speak English. The  
174 primary care case management system developed by the department  
175 in accordance with the provisions of this section shall include training  
176 and educational activities for (1) providers who participate in the  
177 program, (2) outreach personnel utilized to promote the program, and  
178 (3) beneficiaries who opt to enroll in the program.

179 (e) The primary care case management system shall be offered to  
180 HUSKY Plan, Part A and Part B beneficiaries on a voluntary basis. Any  
181 program beneficiary who elects to enroll in the primary care case  
182 management system shall be afforded the option of seeking a change

183 of primary care provider which shall be decided on a case-by-case  
184 basis.

185 (f) The department shall ensure that a beneficiary that elects to  
186 participate in the primary case management system has access to  
187 dental services and behavioral health services as part of the system.

188 (g) The department shall provide monthly reports on the progress in  
189 planning and developing the primary care case management system to  
190 the council established pursuant to section 17b-28 of the general  
191 statutes. In addition, not later than six months after the date of  
192 implementation of the primary care case management system and  
193 annually thereafter, the department shall conduct a comprehensive  
194 review of the system that includes system costs, beneficiary  
195 satisfaction surveys, provider satisfaction surveys, access and  
196 utilization reports, administrative efficiency reports and  
197 recommendations for improvement of the system, and after  
198 completing such review, the department shall submit a written report  
199 on the results to said council.

200 (h) The Commissioner of Social Services may seek a waiver from  
201 federal law, if necessary, in order to implement the primary care case  
202 management system in accordance with the provisions of this section.

203 (i) The commissioner, pursuant to section 17b-10 of the general  
204 statutes, may implement policies and procedures to administer the  
205 provisions of this section while in the process of adopting such policies  
206 and procedures as regulation, provided the commissioner prints notice  
207 of the intent to adopt the regulation in the Connecticut Law Journal  
208 not later than twenty days after the date of implementation. Such  
209 policy shall be valid until the time final regulations are adopted.

210 Sec. 9. Subsection (i) of section 17b-292 of the general statutes is  
211 repealed and the following is substituted in lieu thereof (*Effective July*  
212 *1, 2007*):

213 (i) The single point of entry servicer shall send an application and

214 supporting documents to the commissioner for determination of  
 215 eligibility of a child who resides in a household with a family income  
 216 of one hundred eighty-five per cent or less of the federal poverty level.  
 217 The servicer shall enroll eligible beneficiaries in the applicant's choice  
 218 of managed care plan or in the primary care case management system.  
 219 Upon enrollment in a managed care plan, an eligible HUSKY Plan,  
 220 Part A or Part B beneficiary shall remain enrolled in such managed  
 221 care plan for twelve months from the date of such enrollment unless  
 222 (1) an eligible beneficiary demonstrates good cause to the satisfaction  
 223 of the commissioner of the need to enroll in a different managed care  
 224 plan, or (2) the beneficiary no longer meets program eligibility  
 225 requirements.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	17b-296
Sec. 2	<i>from passage</i>	1-218
Sec. 3	<i>from passage</i>	1-200(11)
Sec. 4	<i>July 1, 2007</i>	New section
Sec. 5	<i>July 1, 2007</i>	17b-28(d)
Sec. 6	<i>July 1, 2007</i>	New section
Sec. 7	<i>July 1, 2007</i>	38a-1041
Sec. 8	<i>July 1, 2007</i>	New section
Sec. 9	<i>July 1, 2007</i>	17b-292(i)

**APP**      *Joint Favorable Subst.*



The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

### **OFA Fiscal Note**

#### **State Impact:**

Agency Affected	Fund-Effect	FY 08 \$	FY 09 \$
Department of Social Services	GF - Cost	See Below	See Below
Office of Health Care Advocate	IF - Cost	220,000	226,000

**Municipal Impact:** None

#### **Explanation**

This bill makes numerous changes to the Department of Social Services' (DSS) HUSKY managed care programs.

**Sections 1 through 3** of the bill make managed care contracts subject to Freedom of Information policies. This change is not expected to have a direct fiscal impact on the state.

**Section 4** allows the Office of the Attorney General (OAG) to review and inspect certain contracts between DSS and a managed care organization to provide certain services. The OAG could accommodate this provision without requiring additional resources.

**Section 5** requires DSS to report additional information to the Medicaid Managed Care Council. These changes are not expected to have a direct fiscal impact on the state.

**Section 6** requires DSS to conduct an annual secret shopper survey with respect to HUSKY MCO's application and enrollment processes as well as the availability of health providers. DSS must report the result of this survey to the General Assembly annually. The cost will be dependent upon the design and scope of this survey, and is estimated to be between \$25,000 and \$50,000 annually.

**Section 7** of the bill would result in a cost for additional staff resources for the Office of the Healthcare Advocate (OHA) to assist HUSKY clients with information. Detail on these resources appears below:

Item	FY 08	FY 09
Senior Case Manager Salary	70,000	72,100
Junior Case Manager Salary	55,000	56,650
Fringe Benefits	75,250	77,508
Other Expenses	20,000	20,000
<b>Total</b>	<b>220,250</b>	<b>226,258</b>

These additional case managers would be required to carry out provisions in Section 7 of the bill since the number of HUSKY cases referred to OHA is anticipated to be significant. Also, performing HUSKY outreach would be a new job function for OHA.

It should be noted that the budget bill, sHB 7077, as favorably reported by the Appropriations Committee includes one Junior Case Manager and one clerical/technical position to assist in handling the general OHA caseload. In FY 06, OHA opened 2,200 cases and anticipates a caseload of approximately 4,000 by the end of FY 07.

**Section 8 and 9** require DSS to establish a primary care case management (PCCM) system for HUSKY clients on a regional basis. HUSKY beneficiaries would have the choice to enroll in the PCCM system or the existing MCO system. The bill requires DSS to reimburse providers in this pilot for any medical and health care coordination services. The bill specifies that the PCCM not utilize a capitated payment system. DSS must contract with an administrative service organization (ASO) to coordinate the PCCM.

Under the current managed care system, DSS provides a capitated payment to the MCO's for each HUSKY client. The MCO's bear the risk for any costs which exceed their capitated payment.

The bill does not require the PCCM ASO to bear any risk for the cost of services provided to the HUSKY clients, nor to provide any

utilization review. The ASO further has no incentive to negotiate rates paid to hospitals or other providers. Therefore, it is likely that the per-person cost under a PCCM model will exceed that under the current capitated model. The extent of this increase is not known. It is also not known how many HUSKY beneficiaries would choose the PCCM system over the MCO system. For purposes of illustration, a 5% increase in costs for a 10,000 person program would require an additional \$1.3 million annually.

The bill does not specify what entity is to be responsible for meeting federal and state reporting requirements under the PCCM system. It is not clear whether federal reimbursement can be received for services provided without such reporting.

The bill includes additional public input, review and reporting requirements for DSS concerning the PCCM that will result in increased administrative costs to the department.

sHB 7077 contains \$2.5 million in each year of the biennium to implement a HUSKY PCCM system in Windham and Waterbury.

### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

**OLR Bill Analysis****sHB 7322*****AN ACT CONCERNING MEDICAID MANAGED CARE REFORM.*****SUMMARY:**

This bill makes a number of changes in how the Department of Social Services (DSS) delivers, and is accountable for, health care services the law requires it to provide to HUSKY A and B beneficiaries. Specifically, it:

1. makes the performance of HUSKY managed care contracts a governmental function under the Freedom of Information Act (FOIA), regardless of the value of the contract;
2. subjects HUSKY and other Medicaid contracts between DSS and managed care organizations (MCO) to the attorney general's review;
3. requires the DSS commissioner to include additional MCO accounting information in the department's reports to the Medicaid managed Care Council;
4. requires DSS to develop and implement a voluntary primary care case management program for HUSKY recipients; and
5. requires MCOs to transfer to DSS any drug or other rebates they receive.

Finally, it requires the Office of the Health Care Advocate to provide informational assistance to HUSKY A and B recipients.

EFFECTIVE DATE: July 1, 2007, except for the FOIA provisions, which are effective upon passage.

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**MEDICAID MANAGED CARE MCOs DISCLOSURE OF RECORDS**  
**DSS Contracts and FOIA**

The bill requires that certain language be included in contracts, and documents related to the contracts, between DSS and managed care organizations serving individuals receiving HUSKY A or B or other Medicaid benefits. The bill specifies that the contracts and documents include contracts and agreements with providers and subcontractors, documents concerning rates paid to them, and documents concerning operational standards. The requirement applies to contracts of any value.

The bill includes MCOs providing services to HUSKY and other Medicaid beneficiaries in the definition of a governmental function. Thus the contracts must (1) entitle DSS to copies of records and files related to the contract's performance and (2) indicate that the records and files are subject to disclosure under FOIA. Anyone denied access to the records or files must first file a complaint with the Freedom of Information Commission.

**ATTORNEY GENERAL'S REVIEW OF HUSKY CONTRACTS**

The bill subjects to the attorney general's review and inspection all (1) contracts DSS maintains with HUSKY A and B MCOs, as well as any covering other Medicaid beneficiaries and (2) all documents maintained by MCOs that are related to performing the contracts. These include (1) contracts and agreements with providers and subcontractors, (2) documents concerning rates paid to the subcontractors and providers, and (3) documents concerning operational standards.

When conducting this review or inspection, the attorney general must ensure that the contract language benefits the HUSKY enrollees. The attorney general may, at the same time he does this review, advise the DSS commissioner, the governor, and the chairpersons of the Human Services and Appropriations committees of any concerns he has with the contracts.

Only HUSKY A and B enrollees use MCOs at this time. Other Medicaid recipients receive their services on a fee-for-service basis.

### **REPORTS ON MCO CONTRACTS**

The bill requires DSS, by January 1, 2008, to include in its monthly report to the Medicaid Managed Care Council the total dollar value of each MCO contract, along with an accounting of money allocated for and actually spent on:

1. preventive, primary, specialty, and dental care;
2. care and case management services;
3. outreach and advertising;
4. administrative costs;
5. profit margins;
6. subcontractors; and
7. any other non-medical expenses.

Also by that date, and annually thereafter, the commissioner must provide (presumably to the council) the following for each MCO contracting with it:

1. any pharmaceutical rebates that pharmaceutical manufacturers provide to the MCO,
2. salaries and fringe benefits for the 10 highest-paid MCO employees responsible for HUSKY administration,
3. the total dollar value of any pools that will be withheld from providers if the cost of services rendered is higher than expected, and
4. any other rebate a manufacturer, vendor, or health care product and equipment vendor or distributor provides to the MCO or

one of its subsidiaries.

### **SECRET SHOPPER SURVEY**

The bill requires DSS, on an annual basis, to conduct a secret shopper survey of any MCO it contracts with. The survey must gauge the MCO's application and enrollment processes' effectiveness and assess the availability of "health care provider services" for new and existing enrollees. DSS must use a consistent methodology when conducting the survey to permit a fair comparison of results from one year to the next. Beginning January 1, 2008, the commissioner must annually report on the surveys' results to the Human Services and Appropriations committees.

### **PRIMARY CARE CASE MANAGEMENT**

By January 1, 2008, DSS must begin implementing a voluntary primary care case management (PCCM) program on no less than a regional basis for HUSKY A and B enrollees. Once implemented, HUSKY enrollees must be given a choice of receiving services through PCCM or managed care (presumably MCO-based care). (Presumably, only enrollees in regions that have PCCM would have this choice.)

The bill defines PCCM as a system of care in which health care services are coordinated by a primary care provider (PCP) assigned to, or chosen by, the program enrollee. PCCM does not include a capitation payment system. The bill requires DSS to ensure that PCCM enrollees have access to dental and behavioral health services, which must be part of the PCCM system.

Currently, HUSKY A and B is a capitated health care system in which DSS pays a fixed monthly rate to MCOs for each HUSKY recipient enrolled in that MCO. The MCO is expected to provide all the HUSKY-covered health services the enrollee is entitled to receive.

Under the bill, participating PCPs must be reimbursed for any medical services and health care coordination they provide to PCCM enrollees. The PCPs must provide the enrollees' primary care services and arrange for specialty care as needed. The network of PCPs DSS

uses must include health care professionals employed at community health centers and school-based health clinics.

The bill requires DSS to contract with an administrative services organization (ASO) to coordinate the availability of services under PCCM. And it permits the department to contract directly with any medical provider or group of providers to facilitate PCCM implementation. When selecting the entity to administer PCCM (which, presumably is the ASO), DSS may not select any MCO, or any subsidiary of, affiliate of, or related company in the control of “the” MCO currently under contract with DSS to serve the HUSKY population. (DSS currently contracts with four MCOs.)

The bill requires the DSS commissioner to develop a program to involve the public in the PCCM system’s design and implementation and to ensure ongoing public involvement. The program must include the opportunity to submit written comments and broad distribution of information and opportunities to the public and to consumers, consumer advocacy groups, medical providers, and other organizations involved in health care. The information must include one or more preliminary documents identifying the options DSS is considering for implementing PCCM. All informational materials must be available to people with disabilities and to those who do not speak English.

The PCCM system must include training and educational activities for (1) participating providers, (2) outreach personnel who promote the program, and (3) HUSKY beneficiaries who opt to enroll in PCCM.

Any PCCM enrollee must be given the option of asking DSS to change his or her PCP. DSS determines these requests on a case-by-case basis.

The bill requires DSS to provide monthly reports on its progress in planning and developing the PCCM system to the Medicaid Managed Care Council. And annually, beginning no later than six months after PCCM is implemented, DSS must conduct a comprehensive review of



the program that includes costs, beneficiary and provider satisfaction surveys, access and utilization reports, administrative efficiency reports, and recommendations for improvements. Once the review is complete, DSS must submit a report of its results to the council.

The bill permits the DSS commissioner to seek a waiver of federal Medicaid or State Children's Health Insurance Program law to implement PCCM. And the commissioner may implement policies and procedures to implement the program while in the process of adopting regulations, provided she publishes notice of intent in the Connecticut Law Journal within 20 days after implementation. The policies remain valid until final regulations are adopted.

Finally, the bill allows the HUSKY servicer (the administrative service organization that acts as the enrollment broker) to enroll HUSKY beneficiaries in PCCM, as well as managed care plans.

#### **HUSKY MCOS TO TRANSFER REBATES TO DSS**

The bill requires HUSKY MCOs or their subsidiaries to transfer to DSS any rebate they receive from pharmaceutical companies or health care product and equipment manufacturers, vendors, or distributors. (Presumably, this would not apply to the MCOs' commercial business but only to HUSKY business.) DSS must apply these amounts to its HUSKY budget for the fiscal year.

#### **HEALTH CARE ADVOCATE TO PROVIDE INFORMATION**

The bill requires the Office of the Health Care Advocate to provide informational assistance to HUSKY A and B recipients. It must include, at a minimum, information on:

1. selecting the HUSKY Plan option that best meets the enrollee's needs (presumably this is help with choosing an MCO or PCCM),
2. the enrollment process;
3. primary care provider selection;

4. assistance in negotiating the managed care and Medicaid systems to access health care services;
5. assistance with billing issues (in general, billing would only occur under HUSKY B for those families required to pay premiums or co-payments); and
6. collaboration with state agency personnel to resolve eligibility, enrollment, and access issues.

## **BACKGROUND**

### ***FOIA, Governmental Function, HUSKY Managed Care, and Caselaw***

By law, whenever a state agency has a contract with a person to perform a governmental function and the contract is worth more than \$2.5 million, the contract must (1) provide that the public agency is entitled to receive a copy of records and files related to the performance of the governmental function and (2) indicate that these records and files are subject to the FOIA and the agency can disclose them.

“Governmental function” is defined as the administration or management of a public agency’s program, which program has been authorized by law to be administered or managed by a person where (1) the person receives funding from the public agency to do so; (2) the agency is involved in or regulates to a significant extent these activities, regardless of the degree; and (3) the person participates in formulating governmental policies or decisions in connection with the program’s administration or management.

Over the last few years, academic researchers, health advocates, and others have tried to get information from DSS on the four MCOs currently serving the HUSKY A and B population, such as the number of specialists and the fees the MCOs pay for services rendered. In many instances, the information has been refused because the MCOs believe it is proprietary. DSS has generally accepted that position. Those seeking the information have attempted to get the information

through an FOIA request, which the FOI commission has granted.

But the MCOs (except for WellCare) appealed to the Superior Court, which dismissed the appeals, as a group, in November 2006, in part concluding that the MCOs, for all intents and purpose, are performing a government function and therefore subject to the FOIA (*Health Net of Connecticut, et. al, v. Freedom of Information Commission*, Nos. CV 060401028S, CV 064010429S, CV 064010430S,, CV 064009521S; November 29, 2006). The case is on appeal to the Supreme Court and is currently awaiting further articulation from the Superior Court judge.

### **Related Bill**

sSB 1425 (Files 357 and 692) contains provisions related to the FOIA and MCOs, as well as provisions concerning PCCM.

### **Legislative History**

The House referred the bill (File 380) to the Government Administration and Elections Committee, which gave it a favorable report. The House referred the bill to the Appropriations Committee, which favorably reported the substitute.

The substitute

1. removes the provision calling for PCCM to be statewide in 2013,
2. eliminates the increase in the rates MCOs must pay providers,
3. removes the pay-for-performance provisions, and
4. removes the requirement that DSS hire a medical director to make medical necessity determinations.

### **COMMITTEE ACTION**

Human Services Committee

Joint Favorable Substitute

Yea 19 Nay 0 (03/22/2007)

Government Administration and Elections Committee

Joint Favorable

Yea 10 Nay 0 (04/18/2007)

Appropriations Committee

Joint Favorable Substitute

Yea 31 Nay 11 (04/30/2007)